

IF YOU WANT TO KNOW MORE

Medicare Advantage Plans



Medicare is a health insurance program for:

- People age 65 or older
- People under age 65 with certain disabilities
- People of all ages with End-Stage Renal Disease (permanent kidney failure)

Medicare Advantage Plans offer additional health plan choices to people with Medicare.

MEDICARE ADVANTAGE PLANS

Basics

With a Medicare Advantage Plan, Medicare pays a set amount of money for your care every month to a private health plan that manages Medicare coverage for its members. Some plans may pay for part or all of your Medicare Part B premium cost.

Types of Medicare Advantage Plans

There are different types of Medicare Advantage Plans, including:

- Medicare Managed Care Plans (HMO)
- Medicare Preferred Provider Organization Plans
- Medicare Private Fee-for-Service Plans
- Medicare Specialty Plans

In most **Medicare Managed Care Plans**, there are doctors and hospitals that join the plan, called the plan's network. You will need to get most of your care and services from the plan's network. Referrals are required for most services and to see doctors outside this network. You may pay more, or services may not be covered, when you get health care outside the plan's network. Rules may differ among plans, so it's important to read your plan materials carefully.

Medicare Preferred Provider Organization (PPO) Plans have many of the same features as Medicare Managed Care Plans. In a PPO, however, referrals are not necessary to see a specialist or out-of-network provider. You may need plan



approval before receiving certain services and may pay more if you go to doctors, hospitals, or other providers that aren't part of the PPO Plan.

Under **Medicare Private Fee-for-Service (PFFS) Plans**, a private company, rather than Medicare, decides how much it will pay and how much you will pay for the services you receive. If you join one of these plans, you can go to any doctor or hospital that accepts the plan's payment terms. No referrals are necessary.

Medicare Specialty Plans (SP) are designed to provide Medicare health care, as well as more focused care for specific groups of people or individuals with certain medical conditions. For example, these plans may be for people in certain long-term care facilities or for people who qualify for both Medicare and Medicaid.

Who Can Join a Medicare Advantage Plan

Medicare Advantage Plans are available to most people with Medicare.

You can join a Medicare Advantage Plan if:

- You have both Medicare Part A and Medicare Part B and continue to pay the monthly Medicare Part B premium
- You live in the plan's service area
- You don't have End-Stage Renal Disease (some exceptions apply)

When You Can Join

You can join a Medicare Advantage Plan when you first join Medicare if a plan is available in your area and is accepting new members. You are eligible for Medicare the first day of the month you turn 65.

Or, if you already have Medicare (for example, the Original Medicare Plan) in 2005 and decide to join a Medicare Advantage Plan later, you can join at any time if the plan is open to new members. Your coverage usually begins the month after the plan receives your enrollment form.

Note: In some cases, a Medicare Advantage Plan will only accept new members during the annual enrollment period from November 15 to December 31. Beginning January 1, 2006, there will be new rules about when you may join or leave a Medicare Advantage Plan.

While you are in a Medicare Advantage Plan, you still have Medicare rights and protections, as well as all of your regular Medicare-covered services offered under Part A and Part B.

You May Need to Know

- Some Medicare Advantage Plans may offer additional benefits or require an additional monthly premium payment.
- You may only belong to one Medicare Advantage Plan at a time.
- If you join a Medicare Advantage Plan and also have coverage from your employer or union, you may still be able to use this coverage along with your Medicare Advantage Plan. It is important to talk to your employer or union benefits administrator about the rules that apply. Keep in mind that if you drop your employer or union coverage, you may not be able to get it back.
- If you already have a **Medigap (Medicare Supplement Insurance)** policy and join a Medicare Advantage Plan, you can keep the Medigap policy, but it may cost you a lot and provide little or no benefit while you are in a Medicare Advantage Plan. You can your local **State Health Insurance Assistance Program (SHIP)** if you need help deciding whether to keep your Medigap policy. Call **1-800-MEDICARE** (1-800-633-4227) to get the number of the SHIP in your area.
- In 2006, the **Medicare Modernization Act** provides for **regional PPOs**. This gives all people with Medicare additional choices for Medicare health care coverage. Regional PPOs will limit the

maximum amount that a member will pay for care outside the network.

Medicare Advantage and Medicare Prescription Drug Coverage

People enrolled in a Medicare Advantage HMO, PPO, or SP can receive their prescription drug coverage through a Medicare Advantage Prescription Drug (MA-PD) plan. If you are currently in a Medicare Advantage Plan without prescription drug coverage, you will need to obtain coverage through a Medicare Advantage Prescription Drug (MA-PD) plan. If you are enrolled in a Medicare Advantage PFFS plan, you will need to enroll in a Medicare prescription drug plan to get drug coverage.



For More Information

For more information about the plans available in your area and how to join a plan, call **1-800-MEDICARE** (1-800-633-4227) or visit www.medicare.gov on the Web.

These materials were prepared in March 2005 by the Centers for Medicare & Medicaid Services. They are intended for training purposes only and are not legal documents.